

Message Text

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PAGE 01 EC BRU 02543 01 OF 02 081910 Z

42

ACTION EUR-25

INFO OCT-01 IO-12 ADP-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-02 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-12 PRS-01 OMB-01 AF-10

ARA-11 EA-11 NEA-10 RSR-01 /220 W
----- 007223

R 081750 Z MAY 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5173

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS

LIMITED OFFICIAL USE SECTION 1 OF 2 EC BRUSSELS 2543

E. O. 11652: N/A

TAGS: ETRD, EEC, CA

SUBJ: EC- CANADIAN TALKS: VISIT OF CANADIAN TRADE MINISTER
GILLESPIE

1. SUMMARY. CANADIAN TRADE MINISTER ALISTAIR GILLESPIE VISITED THE EC COMMISSION ON MAY 4 FOR TALKS WITH PRESIDENT ORTOLI AND COMMISSIONERS SOAMES, LARDINOIS, AND SPINELLI. ACCORDING TO CANADIAN AND EC COMMISSION SOURCES, THE TALKS DID NOT INVOLVE NEGOTIATIONS ALTHOUGH GILLESPIE RAISED A FEW SPECIFIC AGRICULTURAL ISSUES WITH LARDINOIS. THE MAIN PURPOSE WAS TO LAY THE GROUND WORK FOR A CONTINUING INFORMAL
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PAGE 02 EC BRU 02543 01 OF 02 081910 Z

EC- CANADIAN DIALOGUE. THIS WAS ACHIEVED. FOLLOW- UP VISITS ARE LIKELY BY SENIOR CANADIAN OFFICIALS TO BRUSSELS IN JUNE AND BY SOAMES TO CANADA IN OCTOBER. APART FROM GENERAL RELATIONS, THE MAIN SUBJECTS DISCUSSED WERE MULTILATERAL TRADE NEGOTIATIONS; GATT ARTICLE 24:6 NEGOTIATIONS; AGRICULTURE; REGIONAL INVESTMENT INCENTIVES; AND EC PREFERENTIAL AGREEMENTS. END SUMMARY.

2. EC- CANADIAN CONSULTATIVE ARRANGEMENTS AND GENERAL POLICY ACCORDING TO AN EC COMMISSION SOURCE, THE COMMISSION WAS INTERESTED IN GIVING SOME MEANING TO THE FACT THAT CANADA IS INCLUDED-- ALONG WITH THE US AND JAPAN-- IN THE EUROPEAN SUMMIT COMMUNIQUE REFERENCE TO " CONSTRUCTIVE DIALOGUE". ON THE OTHER HAND, THE COMMISSION IS, OF COURSE, UNABLE AND UNWILING-- AT THE PRESENT STAGE-- TO ENVISAGE ANYTHING GOING BEYOND THE SCOPE OF THE SOAMES/ CASEY INFORMAL CONSULTATIVE ARRANGEMENTS. WHEN EC COMMISSION DEPUTY DIRECTOR GENERAL HIJZEN VISITED OTTAWA LAST YEAR, CANADIAN OFFICIALS APPARENTLY RAISED THE POSSIBILITY OF A FORMAL RELATIONSHIP INVOLVING A BILATERAL TRADE AGREEMENT AND MIXED COMMITTEES OPERATING IN THE FRAMEWORK OF SUCH AN AGREEMENT. OUR COMMISSION SOURCE BELIEVES THE CANADIANS ARE NOW CONVINCED THAT THEY COULD NOT GET SUCH AN ARRANGEMENT. OUR CANADIAN SOURCE IMPLIED THAT OTTAWA WILL BE SATISFIED WITH AN INFORMAL, PRAGMATIC APPROACH.

3. ORTOLI AND SOAMES APPARENTLY WENT TO SOME LENGTH TO ASSURE GILLESPIE OF THE COMMUNITY' S COMMITMENT TO COOPERATION WITH CANADA BILATERALLY AS WELL AS IN A MULTILATERAL CONTEXT. A GROUP OF SENIOR CANADIAN OFFICIALS IS TO VISIT THE COMMISSION, PROBABLY ON JUNE 13-14 FOR FOLLOW- UP TALKS. SOAMES SUGGESTED THAT MINISTERIAL- LEVEL SESSIONS TAKE PLACE TWICE A YEAR. SOAMES MAY VISIT OTTAWA IN OCTOBER FOR THIS PURPOSE. THE KISSINGER SPEECH MAY HAVE BEEN MENTIONED AT THE COMMISSION' S LUNCHEON FOR GILLESPIE, BUT THERE WAS NO REFERENCE TO IT IN THE PLENARY MEETINGS.

4. TRADE NEGOTIATIONS: OUR CANADIAN MISSION SOURCE TELLS US THAT ONE OF GILLESPIE' S PURPOSES WAS TO " BE SEEN TO THE TALKING WITH THE COMMISSION" AT A TIME WHEN THE MAJOR TRADING PARTNERS ARE BEGINNING TO GET THEIR MANDATES FOR THE MTN. THE COMMISSION SIDE EXPLAINED THE PHILOSOPHY OF ITS APRIL 4 MEMORANDUM TO THE EC COUNCIL OF MINISTERS AND WAS OPTIMISTIC THAT THE LIMITED OFFICIAL USE

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COUNCIL WOULD APPROVE SOMETHING CLOSE TO THE COMMISSION' S PROPOSALS BY THE END OF JUNE. THE CANADIANS HAD LITTLE TO OFFER IN THE WAY OF COMMENT ON THE COMMISSION' S PAPER SINCE THEIR OWN POSITION FOR TRADE NEGOTIATIONS IS STILL BEING DEVELOPED.

5. ALTHOUGH THE GATT ARTICLE 24:6 NEGOTIATIONS WERE NOT DISCUSSED

IN DETAIL, THE CANADIANS REMINDED THE COMMISSION OF THE IMPORT-
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THE CANADIANS INDICATED THEIR VIEW THAT THE EC POSITION
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DID EXPRESS ITS HOPE THAT THE ARTICLE 24:6 EXERCISE COULD BE
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R 081750 Z MAY 73
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TO SECSTATE WASHDC 5174
INFO AMEMBASSY BONN
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USMISSION GENEVA
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LIMITED OFFICIAL USE SECTION 2 OF 2 EC BRUSSELS 2543

6. AGRICULTURE: LARDINOIS DESCRIBED THE PRESENT STATUS
AND OUTLOOK FOR THE CAP, INCLUDING THE FACT THAT THE
COMMISSION WILL BE STUDYING THE POSSIBILITY OF DIRECT PAYMENTS
AS ALTERNATIVES TO PRICE SUPPORT MEASURES IN CERTAIN CASES.
(HIS COMMENTS WERE CONSISTENT WITH THOSE MADE TO CODEL ROSENTHAL/

FRASER THE SAME DAY. SEE EC BRUSSELS 2453.) LARDINOIS ALSO SOUGHT CANADIAN SUPPORT FOR THE IDEA OF INTERNATIONAL COMMODITY AGREEMENTS TO BE NEGOTIATED IN THE FRAMEWORK OF THE MTN. HE IDENTIFIED THE MAIN ELEMENTS OF SUCH AGREEMENTS TO INCLUDE STOCKPILING, CODES OF BEHAVIOR, ETC. THE DISCUSSION WAS IN GENERAL TERMS ACCORDING LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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TO OUR CANADIAN SOURCE, AND EXCEPT FOR GRAINS, THE COMMODITIES THAT MIGHT BE INVOLVED WERE NOT IDENTIFIED. THE CANADIANS REACTED FAVORABLY TO LARDINOIS' PRESENTATION.

7. THE CANADIAN SIDE ALSO RAISED SEVERAL SPECIFIC AGRICULTURAL PROBLEMS THAT ARISE FOR CANADIAN EXPORTS TO THE UK AS A RESULT OF EC ENLARGEMENT (CHEDDAR CHEESE, APPLES, FLOUR). LARDINOIS HAD NOT BEEN BRIEFED ON THESE ISSUES, HOWEVER, AND GAVE NO SPECIFIC REPLIES.

8. REGIONAL DEVELOPMENT INCENTIVES: GILLESPIE'S TALK WITH EC COMMISSIONER SPINELLI, RESPONSIBLE FOR INDUSTRIAL POLICY, WAS QUITE GENERAL FOR THE MOST PART. WITH THE MICHELIN CASE IN MIND, THE CANADIANS PROBED TO FIND OUT WHETHER OR NOT THE COMMISSION IS CONCERNED ABOUT POSSIBLE US COUNTERVAILING ACTION AS A RESULT OF EC REGIONAL DEVELOPMENT INCENTIVES. OUR CANADIAN SOURCE SAID THAT NEITHER ORTOLI NOR SPINELLI SHOWED ANY PARTICULAR CONCERN ON THIS SCORE. THEY DOUBTED THAT EC REGIONAL INCENTIVES WOULD RAISE ANY SPECIAL PROBLEMS FOR THE US OR THAT THE US WOULD HAVE VALID GROUNDS FOR COUNTERVAILING ACTION.

9. EC PREFERENTIAL AGREEMENTS WITH LDCS: THE COMMISSION SIDE OUTLINED THEIR RECENT PROPOSAL TO THE EC COUNCIL LOOKING TOWARD RENEGOTIATION OF THE YAOUNDE CONVENTION. THE COMMISSION EMPHASIZED ITS VIEW THAT "FREE TRADE AREAS" ARE NECESSARY IN ORDER TO PROVIDE GATT COVER FOR SPECIAL PREFERENCES THE COMMUNITY WILL BE GRANTING LDCS IN THE MEDITERRANEAN, AFRICA AND THE CARIBBEAN. THE COMMISSION SIDE MADE CLEAR THAT THEY WOULD LIKE THEIR LDC PARTNERS TO GENERALIZE TO THIRD COUNTRIES THE TRADE ADVANTAGES THEY WILL BE GIVING THE COMMUNITY. ACCORDING TO OUR SOURCE, CANADA HAS ONLY A SMALL TRADE INTEREST IN THE AREAS IN QUESTION AND, ALTHOUGH OPPOSED TO REVERSE PREFERENCES ON PRINCIPLE, HAS NOT BEEN PRESSING THE COMMUNITY IN GATT IN RECENT YEARS. IN LINE WITH THIS APPROACH, GILLESPIE TOOK NOTE OF THE COMMISSION PRESENTATION BUT OFFERED NO SUBSTANTIVE COMMENT ON IT.

10. IN THE ABSENCE OF EC COMMISSION VICE PRESIDENT SIMONET, WHO IS RESPONSIBLE FOR THE ENERGY SECTOR, THE CANADIANS DECIDED NOT TO TAKE UP THE ENERGY QUESTION DESPITE THEIR MAJOR INTEREST LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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GREENWALD

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*** Current Classification *** LIMITED OFFICIAL USE
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LIMITED OFFICIAL USE SECTION 2 OF 2 EC BRUSSELS 2543

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*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

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Disposition Approved on Date:
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Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
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30 JUN 2005

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Secure: OPEN
Status: <DBA CORRECTED> mcm 971219
Subject: EC- CANADIAN TALKS: VISIT OF CANADIAN TRADE MINISTER GILLESPIE
TAGS: ETRD, CA, EEC
To: BONN
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EUR
LONDON
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SECSTATE WASHDC
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Type: TE

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